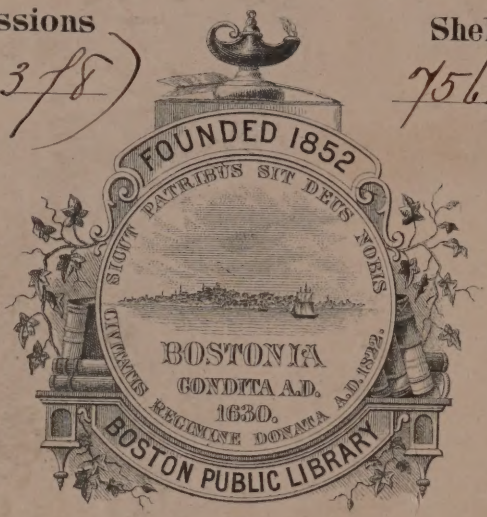
BOSTON PUBLIC LIBRARY
3 9999 08633 064 2

Accessions
10.378

Shelf No.
7562.68



Received Jan. 8, 1890

Heliotype Printing Co.

25 H

Presented by

12in 7562.59
c

CO-OPERATIVE BANKS
WELLS MEMORIAL BUILDING
88½ WASHINGTON ST.
BOSTON

CO-OPERATIVE BANKS,

— OR —

BUILDING ASSOCIATIONS.

I. They Teach and Reward THRIFT;
II. Also, the OWNING OF HOUSES;
III. Educate their Members in Business;
IV. COÖPERATION.

BY

ROBERT TREAT PAINE, JR.,

PRESIDENT OF THE WORKINGMEN'S CO-OPERATIVE BANK, OF BOSTON.

Reprinted from the Boston Daily Advertiser of December 3, 1880.

C

BOSTON:

T. O. Metcalf & Co., Printers, 48 Oliver Street.

1885.

C

JAN 8 1890
10378

HOMESTEAD
CO-OPERATIVE
BANK
MONTHLY DEPOSITS
ON OR BEFORE
SECOND WEDNESD'Y,
Wells Memorial Hall,
987 Wash'n St., Boston,
7.30, p.m.
Shares, $1 per month.
Joseph S. Ropes, Pres.
D. Eldredge, Sec.
OFFICE:
987 Washington St.
Office Hours, daily 10 to 2,
and Second Wednesdays
3 to 6.30, and 7.30 to 9 p.m.

NEW SERIES:
APRIL and OCT.
ANNUAL MEETING:
APRIL.
AUTHORIZED CAPITAL,
$1,000,000.00.

WORKINGMEN'S
CO-OPERATIVE
BANK
MONTHLY DEPOSITS
ON OR BEFORE
SECOND FRIDAY,
Wells Memorial Hall,
987 Wash'n St., Boston,
7.30, p.m.
Shares, $1 per month.
R. T. Paine, Jr., Pres.
D. Eldredge, Sec.
OFFICE:
987 Washington St.
Office Hours, daily 10 to 2,
and Second Fridays
3 to 6.30, and 7.30 to 9 p.m.

NEW SERIES:
SEPT. and MARCH.
ANNUAL MEETING:
SEPTEMBER.
AUTHORIZED CAPITAL,
$1,000,000.00.

PIONEER
CO-OPERATIVE
BANK
MONTHLY DEPOSITS
ON OR BEFORE
FIRST MONDAY,
Wells Memorial Hall,
987 Wash'n St., Boston,
7.30, p.m.
Shares, $1 per month.
G. Bradford, Pres.
D. Eldredge, Sec.
OFFICE:
987 Washington St.
Office Hours, daily 10 to 2,
and First Mondays
3 to 6.30, and 7.30 to 9 p.m.

NEW SERIES:
JUNE and DEC.
ANNUAL MEETING:
JUNE.
AUTHORIZED CAPITAL
$1,000,000.00.

ORIENTAL COFFEE HOUSE CO.

BRANCHES:

THE CASINO,
Wells Memorial Building,
935 to 939 Wash'n Street,
BOSTON.

THE ALHAMBRA,
Nos. 9 to 17 Green Street,
Near Bowdoin Square,
BOSTON.

Patterned after the popular English Coffee Houses.
LUNCH COUNTER. LADIES' AND GENTS' CAFE.
Suitable Resorts for all. Billiards and Pool.
LARGEST AND FINEST BILLIARD AND POOL ROOM AT SOUTH END.
EVERYBODY CORDIALLY INVITED.

ADDRESS BY R. T. PAINE, JR.

The first public meeting of the Waltham Association was held at Rumford Hall a few weeks ago. The hall was crowded, and at the close of the evening 2260 shares were sold, — by far the largest number taken at the start in any of the Massachusetts societies. Mr. Paine, on being introduced, made the following

ADDRESS.

Mr. President, and my friends of Waltham: —

It is with great pleasure that I come here tonight to say and do what I can to explain and urge a system which, in my judgment, promises more for the welfare of the people than any other system I know. These associations in Philadelphia are called building associations. They attracted my study six years ago, and I have visited them and the houses which their members are aided to own, and I have watched their progress with interest. Six months ago steps were taken by myself and others to organize the Workingmen's Coöperative Saving Fund and Loan Association in Boston, of which I am president. Two other associations, the Pioneer and the Homestead, have been working nearly three years in Boston. Fourteen others have been started in other towns of Massachusetts. Before twelve months are passed Waltham can have the best association in the State. My observation of Philadelphia and experience here lead me to the fixed belief that these associations contain elements of hope and prosperity for the masses of our people, which make them excel any other methods of business or saving, in four ways:

THRIFT.

I. They teach, reward and foster thrift in a wonderful degree. Thrift lies at the root of all progress. Without thrift all else is in vain. Earn as much as you please, and if you do not save it, all goes. Old age finds you poor. Sickness takes you unprepared. Your children are ragged, and your home a hired tenement, wherever bad luck may cast you adrift. With thrift, results are a marvel. Ten dollars a month for 30 years are $3600 of principal.

Put this at compound interest and invest part of it in a good house and land, which you take good care of, and you should have $20,000. Twenty dollars a month saved and invested and accumulated for thirty years make a rich man. Even $5 a month may give a family a good home and a competence against old age and want.

Think of the enormous sums paid out in wages each month in Waltham, — over $100,000. One-quarter or more of this sum ought to be saved and invested. No better investment can be had (as a rule) than a good house on good land. Be very modest in starting. Begin simply. Extravagance is the fault and often the ruin of our people. Be content with a snug and simple house till you can afford a better. The savings of Waltham can build 25 houses a month; 300 each year. Think how active business would be in town if all this building were going on, giving work to carpenters, masons, laborers, painters, teams, and keeping the money and the invested value of it here among us, rather than lending it at a distance or putting it into railroad shares away. What a fatal mistake it is to think that money spent in all the little luxuries of life hires more laborers or pays more wages or does more good than money laid up! Money laid up means money put into houses and shops and lands. Money laid up means money paid out to labor. In one case money is lost and gone; in the other, used so that its value is kept, and probably increased. These are the benefits of thrift to the whole town. To each person who saves, who learns to save, the benefits are of untold value. Improvidence is a terrible mistake. In the youth of life you cannot tell what an infinite difference to your middle life and old age, both for yourself and your family, thrift will make.

OWN YOUR OWN HOME.

II. These associations encourage the building and owning of homes. It is a proud moment in your life when you first own your own home.

How true it is what the poet says:—

> "When he can say,
> 'This lot of land is mine,' he's twice a man."

The glory of New England was that every man was a freeholder. And it will be a terrible day when our citizens cease to value this great privilege of owning a part and portion of their own fatherland.

III. The third great advantage is that these associations *educate*

all their members, men and women, in business, in the management of their property and money.

IV. Coöperation is the last and a most valuable benefit of these associations.

WHAT IS THIS ASSOCIATION?

1. It is a corporation organized under the general laws of Massachusetts, chapter 224 of 1877; a very carefully-drawn statute to regulate these associations, and to define their method of business, and to protect their members. The law is based upon the experience of Pennsylvania, but is more carefully guarded.

2. Each takes as many shares as he or she wishes (not exceeding 25). You are to pay $1 a month on each share, on, or before, the monthly meeting. This goes on till all the shares alike (in any one series) are worth $200, when they are of full value and are wound up, and the money ($200) is paid back to you. Usually, one series of shares after another is started every six months, or every year, so that the different series may mature at different times. If no interest were earned it would take 200 months for $1 a month to amount to $200 or $16\frac{2}{3}$ years. But, with the benefit of compound interest, one may hope and expect that 10 or 12 years will see the shares worth $200. When business was brisk in Philadelphia, and high rates were paid for money, their shares became worth $200 in 8 or 9 years. Of course, the time will depend on the rates our money earns.

3. *No forfeiture* of your money paid in is possible, in the case you cannot go on. You give a month's notice and withdraw it. If you do not withdraw, and cease to pay, the fine is two cents a month a share. Of course, if you cannot go on paying, you should withdraw.

4. Loans are made at each monthly meeting (for instance, here tonight) of all money paid in. No interest is lost. What you pay in begins this evening to earn interest. The money is offered at auction, and whoever offers the highest rate of interest gets it. The laws provide that the premium bid shall be so many cents a share of interest each month. The premium table in your books, which you will soon learn to understand, and to watch closely, as the bidding goes on, shows exactly what rate of interest the bids will mean.

5. Loans are only made to members. Of course, any borrower can become a member by taking the needed number of shares at $1 each.

6. The security must be real estate, to the approval first of your security committee, and then of the board of directors. Members often know all about the estate mortgaged, and keep posted as to its value and any changes in it. The shares of the borrower must also be pledged as additional security.

7. Loans may also be made upon pledge of the shares alone, but only to a less amount than the actual value of the shares.

8. Loans are made in small sums, — $50, or any multiple of $50.

9. Loans may be paid back at any monthly meeting, or earlier, with interest to that day, thus giving the borrower a great privilege, and enabling him, if he has borrowed his money at a high rate (say 10 or 11 per cent.), to reborrow at any lower rate which he may be lucky enough to get elsewhere, or on any subsequent evening. He must pay one month's interest twice, and the charge for new papers.

10. The expenses of doing the business are reduced to the least possible sum. No great banking-houses; no expensive offices; no high salaries. Only one salaried officer, the secretary, and his pay is small.

11. No risk of loss of money, as no money except a very small sum is kept on hand, but each month all the money received and on hand is loaned at once. The treasurer and secretary each gives bond with sureties, for the faithful discharge of his duties.

12. The business is done in open monthly meeting, where all members are welcome, and ought to come and see each other, and consult about all common interests. You see who the members are, and whom, not being members, you can induce to join. You see the money paid in and then put up at auction, and who bids, and how much interest is bid. You know what the security is for the loan. The world can show no more admirable school for grown-up men and women to learn the business which concerns them most deeply. Yes, I am not sure that the greatest merit of these associations is not that they bring the members together in constant and friendly consultation. They see, and transact, and consult about and know and study their own business affairs. Knowledge is power. To make a watch, spin cotton, or bleach cloth, or forge iron, is an art and needs knowledge. But the art of saving money is as hard and as useful as any art I have named. The disasters of ignorance are dreadful. The Ladies' Deposit Bank has brought ruin to hundreds. It is inconceivable how any one could have put money there; yet it is a sad fact. We open tonight a school of art; the art of getting ahead.

Here we have a monthly public meeting where all talk over saving in all its aspects ; how to save, how much to save, how much to spend, which is worth most, drinks, tobacco, sprees, excursions, rides, frolics, silks, ribbons, show, display, expense, extravagance, or the steady saving, keeping and investing of all spare money, an accumulating fund, a house, a home, a plot of land of your own, or, if married, a home for your children to grow up in safely, respecting themselves and their parents ; a competence, or perhaps almost riches ; yes, often riches. No American has any right to be poor. Never be content till you reach the grand position of our American ancestors, who all struggled and succeeded ; sturdy freeholders who made the strength and glory of this country. This is true both of our native Americans and also of our foreign-born friends who have caught the spirit of the land, and are in sympathy with its institutions and character.

13. The profits in the associations are larger than any other safe investment. They were 8 per cent. for last year in the two older Boston associations. It is a marvel what rates of interest the Boston societies get on loans,—8, 9, 10 or 11 per cent. We must not expect so much here. Savings banks are limited to 60 per cent. of cash value, and in large loans with uncertain values, this margin is none too large. Savings banks in Boston have made losses even when they thought they had the margin of 40 per cent., because they got an unmarketable estate, and great shrinkage of value occurred. But the small estates of workingmen can be valued very closely, are always in demand, and if you loan only to a good borrower and on a good estate, there is found to be no risk of loss in well-managed associations.

14. Another reason why we can safely lend nearer to the market value is that the borrower begins to pay off his loan at once, the very evening of his loan, if he has not shares before. I have said that loans *may* be paid off at any time. *The transcendant advantage of these associations is that the borrower not only may but must pay off his loan steadily, though slowly.* Here is the grand distinction : Borrow of a savings bank, and you cannot pay your loan till it matures. You make no preparation. You expect to renew it. If all goes well you can and do renew, and so it goes on, till something happens, and you cannot renew, and cannot pay, and they enter and foreclose, and you lose your house and home and all you have paid, and are broken down and crushed. What blow is more overwhelming than to be turned out of the house you

have partly paid for with some hundreds of hardly earned dollars; and to lose your all! Not so with these associations. You must pay off a part each and every month; a small part, to be sure. Before you borrow be sure you are right; only borrow what you know you can repay by monthly dues. And then you must go on until all is paid and the house is yours. Whoever borrows $1000 tonight on five shares must pay $5 (a dollar a share) here on this table tonight, and so each month must pay $5 of the principal of his debt till all is paid. Of course he also pays the interest each month, which, at six per cent., is $5 more (*i. e.*, $60 a year). If he bids a premium of 40 cents a share, he must also pay $2 on his five shares. Now see. Suppose he bids and gets his $1000 loan at 40 cents premium. He pays, each month, —

Dues on principal, ...	$5 00
Interest at 6 per cent., ...	5 00
Premium at 40 cents a share, . . .	2 00
Total, ...	$12 00

This goes on till his five shares are worth each $200, when his shares are equal to his mortgage and pay it off, and his shares and his mortgage are all cancelled, and he owns his own home free of debt. He has been forced to save. He has been taught to save. The thought and the necessity are constantly before him. His neighbor may spend his earnings freely, easily, in the hundred ways which cut such big holes in our pockets. But this man and his wife, and his children, too, all are full of the idea of paying up the monthly dues, and so they save their money, and in the end they own their house, and it is free. This man pays off his mortgage. The borrower of a savings bank does not pay his. Here is the difference of infinite importance, of more importance than all else. You own your house. He does not own his. The savings bank or somebody else owns his. In one case you cannot and do not pay off your loan by degrees. In the other you can and must pay it off by degrees. One path leads to independence at your own fireside, under your own roof. The other path leads out doors. If you have your choice, borrow of an association and pay off your loan month by month. This is a good school, where thrift is taught with a strong hand.

15. You know well enough the value to your children of good schools, where they can learn, and are forced to learn, what will be of value to them in after-life. We grown-up men and women need

to go to good schools, wherever anything is to be taught, all through life. All life is learning. When you stop learning, decay sets in and mental death. Tonight we open the best adult school for men and women to learn business that I have seen or heard of in the world. You will not graduate at once here or anywhere else. It is a school for life. Saving your money, investing it safely, seeing it accumulate, watching over it, discussing how best to manage, consulting and comparing notes about houses, size, and shape, and cost, and comfort, health, and repairs, and shrubs and trees and vines, and values, how to save your first hundred dollars, and how best to make it worth $150 and $200, how to teach and bring up your children to work and save and be steady, how to keep out of and hate liquor shops and all the other costly and deadly allurements of the devil, how to form habits of sturdy American virtue and thrift,—and building up a wise plan of life for yourself, your wife and your children, develop and perfect it into the grand result of home and independence and competence and character. This is the diploma which, by God's blessing, these coöperative societies, these associations "by the people and for the people," of all who will, uniting and coöperating together, offer to all, with no preference to any.

PHILADELPHIA'S GREAT SUCCESS.

These associations are not a new experiment. These results are not a mere hope or dream. The success which has attended them in other places, and preëminently in Philadelphia, prove all that has been said. Philadelphia is justly called the "City of Homes." Spread out over an immense territory, it is full of small streets, built solid with snug little inexpensive houses for workingmen. Rarely or almost never do you see a tenement house, that worst curse of city life, where multitudes of men and women, and worse yet, of boys and girls, are crowded into a big building, where privacy and self-respect are lost, decency often outraged, and the poisonous influence of the worst inmates, adult or youthful, is intensified, and innocent lives are offered victims to its foul corruption. Philadelphia is filled with an air of thrift which no other large city can equal. Thousands and tens of thousands of men and women own their own homes. Those who do not are looking forward to the day when they can do so, and are hoping and planning and saving. Boys and girls grow up, filled with this feeling that to own one's own home is the proper thing for every

one. Of course misfortunes may prevent, and often do. The first step is always the hardest in saving, as in walking or swimming. Take the first step and others follow, — especially in these associations. You take three shares and save $3 a month. You see your friend, earning no more, take ten shares and save $10 a month. You think it over and know you can save as much as he, and soon you decide to take ten shares likewise. Good examples are powerful in good influence.

COÖPERATION.

Coöperation is one of the grand features of these associations, as it is one of the grandest ideas and methods of our modern times. What one man is impotent to do, what may be so impossible that the single man never has his thoughts turn to it as possible, a hundred men uniting in joint coöperation may find easy. This cotton factory, the Boston Manufacturing Company, is the result of the coöperation of capitalists. The watch factory could never have existed without coöperation. Railroads are the product of coöperation. All corporate life and power is mere coöperation, by ways and means and under provisions and limitations which our laws have wisely perfected, to the end that coöperation may be just and safe, and understood and protected. This is the coöperation of capital. Industrial coöperation has spread widely in England. In Germany coöperative banking has been prevalent and successful. Coöperative stores have succeeded in England and are begun here also.

The essence of the coöperation in these associations of ours is simple. A hundred members or more may have one or two thousand dollars each month to save. They unite, and all deposit it with chosen officers, who invest it under the safeguards of a wise law. The sum each man can save in a month may be small, so small that most men, by terrible imprudence, waste it all away. Put these sums together and a large sum is saved. This is the first half of the plan, — saving the money.

Secondly, coöperation offers at once to lend to such one of our members as wants the money most, that is, the one who offers most interest for it. No feature of our savings banks system seems so harsh to the poor people who make the deposits, as the fact that they alone can never borrow them. The rich man who has never made a deposit in his life, can easily borrow at a low rate of interest of a Boston savings bank a large sum, — the larger

the sum the easier to get it, — while the poor man who has been depositing all his life, and his friends also, can not borrow a small sum at a low rate, or a high rate, or at any rate at all. He, and those like him, who save all the money, are alone excluded from enjoying, as borrowers, the benefit of any of it. Not so here. Just the opposite here. Here the poor man, if he be steady and of good character, with his real estate security, if it be sufficient, is not only welcome, but in fact this class of borrowers, men and women, are those who reap the fruits, as borrowers, of these associations. A few hundred of the working-men and women of a town save up each month a thousand or more dollars, and loan it, by a safe system, to the man or woman of themselves who wants it most. When this system has been in operation twelve months, and you see and appreciate its benefits, no word will be needed to make converts.

CAUTION TO OFFICERS AND MEMBERS.

Let everything be open. Invite all questions and answer freely. Do not regard questions as suspicion, but as a just desire for full and exact knowledge. Remember these associations must grow by public and widespread knowledge of this system in all its details. To you members then I say,—and if these banks now beginning run ten years or fifty years, or take permanent and enduring root, and grow stronger with every year, these words will be just as true and important always in the future as today, — seek all the information you wish. Ask every question that occurs. Insist on full and exact replies. You, officers, invite and welcome every inquiry.

Now for the management of the business. This is the corner-stone. This is the hinge. The success of any corporation, of any business, depends on its management,—of these associations as largely as of any corporation in the country.

1st. Here, as always, you must have integrity. When, ten years hence, this association matures its first series, let it be said that no officer has made one cent except as salary, or sharing equally with all.

2d. The accounts must be carefully kept and promptly posted.

3d. The funds must be safely invested. The safe investment of the money is the one matter of constant and utmost importance.

Mr. President, a solemn responsibility rests upon you. You are charged by the by-laws here, as usually in these savings banks,

with the selection of the security committee. On their sound judgment and fidelity will depend the safety of our investments. They cannot afford to be careless or to slight their duties. The prosperity and good name of this association is in their trust. Waltham is fortunate in the character of the men who are at the head of her great industries. The character of the men who have been chosen to manage this association proves that it will be honorably and wisely managed. You know the men on the list of officers too well for me to say a word about them. Only this, remember always that the character of the men to whom you intrust your money is of the utmost importance, and demands constant scrutiny. The fact that men who are hard at work managing important affairs of their own, or of these great industries of Waltham, are ready to give their time and thought to make a success of this coöperative saving association of the people, proves their interest in its welfare, and offers a new testimony of the strong human sympathy between those who have got on in the world and those who are trying to do so, between those who are well off and those who are not so well off,—a new bond of our common brotherhood, which makes our towns and our country preëminently blest. If those of you who are poor will allow me to say a single word especially to you, you do not know how deeply and painfully the so-called rich, if not all certainly a large proportion, regret that you cannot have the same prosperity as their own.

Luck seems to have much to do with this world's success. Yet less than you think. What your neighbor envies as your luck is often a merit which you yourself know all about, and have worked hard to acquire. Success in this world may be usually achieved in moderate and just degree by resolute will and persistent pluck. The man who hopes to get on by the help of friends may fail. He who resolves to carve out his own success has gained half the fight, and is almost sure to succeed if he is true to his resolve and to himself. It is very hard to help another man. It is very easy to help yourself. The chance here offered by these associations of saving up your first hundred dollars may be the corner-stone of your prosperous life. The spirit here must be, first to encourage thrift; then to aid one after another to own his own home; and in and through it all a spirit of cordial coöperation.

(June, 1889, 20,000)

BOSTON PUBLIC LIBRARY.

One volume allowed at a time, and obtained only by card; to be kept 14 days (or seven days in the case of fiction and juvenile books published within one year) without fine; not to be renewed; to be reclaimed by messenger after 21 days, who will collect 20 cents besides fine of 2 cents a day, including Sundays and holidays; not to be lent out of the borrower's household, and not to be transferred; to be returned at this Hall.

Borrowers finding this book mutilated or unwarrantably defaced, are expected to report it; and also any undue delay in the delivery of books.

*** No claim can be established because of the failure of any notice, to or from the Library, through the mail.

The record below must not be made or altered by borrower.